

AMENDED IN ASSEMBLY APRIL 13, 2016

AMENDED IN ASSEMBLY MARCH 15, 2016

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

## ASSEMBLY BILL

**No. 2497**

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**Introduced by Assembly Member Wagner**  
*(Principal coauthor: Assembly Member Ridley-Thomas)*

February 19, 2016

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An act to amend Section 18729 of, and to add and repeal Article 3.6 (commencing with Section 18730) of Chapter 3 of Part 10.2 of Division 2 of, the Revenue and Taxation Code, relating to taxation.

### LEGISLATIVE COUNSEL'S DIGEST

AB 2497, as amended, Wagner. Voluntary contributions: California Senior Legislature Fund: California Senior Citizen Advocacy Fund.

Under existing law, taxpayers are allowed to contribute amounts in excess of their personal income tax liability for the support of the California Senior Legislature Fund until the year in which the minimum contribution is not received, or January 1, 2019, whichever occurs first. Existing law also contains administrative provisions that are generally applicable to voluntary contributions.

This bill would repeal these provisions regarding contributions for the support of the California Senior Legislature Fund and would instead allow a taxpayer, for taxable years beginning on or after January 1, 2016, to designate an amount in excess of personal income tax liability to be deposited to the California Senior Citizen Advocacy Fund, which the bill would create. This bill would require moneys transferred to the California Senior Citizen Advocacy Fund, upon appropriation by the Legislature, to be allocated to the Franchise Tax Board and the

Controller, as provided, and to the California Senior Legislature for the purpose of funding the activities of the California Senior Legislature, as provided.

This bill would repeal these voluntary contribution provisions by a specified date or, if contributions made on returns would be less than a specified amount, by an earlier date as provided.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1     SECTION 1. Section 18729 of the Revenue and Taxation Code  
2     is amended to read:

3     18729. (a) This article shall remain in effect only for taxable  
4     years beginning before January 1, 2016, and as of January 1, 2017,  
5     is repealed.

6     (b) Notwithstanding the repeal of this article, any contribution  
7     amounts designated pursuant to this article prior to its repeal shall  
8     continue to be transferred and disbursed in accordance with this  
9     article as in effect immediately prior to that repeal.

10    SEC. 2. Article 3.6 (commencing with Section 18730) is added  
11    to Chapter 3 of Part 10.2 of Division 2 of the Revenue and Taxation  
12    Code, to read:

13  
14           Article 3.6. California Senior Citizen Advocacy Fund  
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16    18730. (a) For taxable years beginning on or after January 1,  
17    2016, any individual may designate on the tax return that a  
18    contribution in excess of the tax liability, if any, be made to the  
19    California Senior Citizen Advocacy Fund established by Section  
20    18731 to be used to conduct the sessions of the California Senior  
21    Legislature and to support its ongoing activities on behalf of older  
22    persons.

23    (b) The contribution shall be in full dollar amounts and may be  
24    made individually by each signatory on the joint return.

25    (c) A designation under subdivision (a) shall be made for any  
26    taxable year on the ~~initial~~ *original* return for that taxable year, and  
27    once made shall be irrevocable. If payments and credits reported  
28    on the return, together with any other credits associated with the

1 individual's account, do not exceed the individual's tax liability,  
2 the return shall be treated as though no designation has been made.

3 (d) The Franchise Tax Board shall revise the form of the return  
4 to include a space labeled "California Senior Citizen Advocacy  
5 Fund" to allow for the designation permitted under subdivision  
6 (a). The form shall also include in the instructions information that  
7 the contribution may be in the amount of one dollar (\$1) or more  
8 and that the contribution shall be used to conduct the sessions of  
9 the California Senior Legislature and to support its ongoing  
10 activities on behalf of older persons.

11 (e) A deduction shall be allowed under Article 6 (commencing  
12 with Section 17201) of Chapter 3 of Part 10 for any contribution  
13 made pursuant to subdivision (a).

14 18731. (a) There is hereby established in the State Treasury  
15 the California Senior Citizen Advocacy Fund to receive  
16 contributions made pursuant to Section 18730. The Franchise Tax  
17 Board shall notify the Controller of both the amount of money  
18 paid by taxpayers in excess of their tax liability and the amount  
19 of refund money that taxpayers have designated pursuant to Section  
20 18730 to be transferred to the California Senior Citizen Advocacy  
21 Fund. The Controller shall transfer from the Personal Income Tax  
22 Fund to the California Senior Citizen Advocacy Fund an amount  
23 not in excess of the sum of the amounts designated by individuals  
24 pursuant to Section 18730 for payment into that fund.

25 (b) The California Senior Citizen Advocacy Fund is the  
26 successor fund of the California Senior Legislature Fund. All  
27 assets, liabilities, revenues, and expenditures of the California  
28 Senior Legislature Fund shall be transferred to, and become a part  
29 of, the California Senior Citizen Advocacy Fund, as provided in  
30 Section 16346 of the Government Code. Any references in state  
31 law to the California Senior Legislature Fund shall be construed  
32 to refer to the California Senior Citizen Advocacy Fund.

33 18732. (a) All moneys transferred to the California Senior  
34 Citizen Advocacy Fund pursuant to Section 18731, upon  
35 appropriation by the Legislature, shall be allocated as follows:

36 (1) To the Franchise Tax Board and the Controller for  
37 reimbursement of all costs incurred by the Franchise Tax Board  
38 and the Controller in connection with their duties under this article.

39 (2) The balance to the California Senior Legislature, for its  
40 ongoing activities on behalf of older persons.

(b) All moneys allocated pursuant to paragraph (2) of subdivision (a) may be carried over from the year in which they were received and encumbered in any following year.

(c) The funds allocated to the California Senior Legislature for the purpose of funding the activities of the California Senior Legislature shall be spent pursuant to the purview of the Joint Rules Committee of the California Senior Legislature in a manner consistent with the bylaws of the California Senior Legislature, established through a majority vote of the California Senior Legislature.

18733. (a) Except as otherwise provided in subdivision (b), this article shall remain in effect only for taxable years beginning before January 1, 2021, and as of December 1, 2021, is repealed.

(b) (1) By September 1, 2017, and by September 1 of each subsequent calendar year that the California Senior Citizen Advocacy Fund appears on the tax return, the Franchise Tax Board shall do all of the following:

(A) Determine the minimum contribution amount required to be received during the next calendar year for the fund to appear on the tax return for the taxable year that includes that next calendar year.

(B) Provide written notification to the California Senior Legislature of the amount determined in subparagraph (A).

(C) Determine whether the amount of contributions estimated to be received during the calendar year will equal or exceed the minimum contribution amount determined by the Franchise Tax Board for the calendar year pursuant to subparagraph (A). The Franchise Tax Board shall estimate the amount of contributions to be received by using the actual amounts received and an estimate of the contributions that will be received by the end of that calendar year.

(2) If the Franchise Tax Board determines that the amount of the contributions estimated to be received during a calendar year will not at least equal the minimum contribution amount for the calendar year, this article shall be inoperative with respect to taxable years beginning on or after January 1 of that calendar year and shall be repealed on December 1 of that year.

(3) For purposes of this section, the minimum contribution amount for a calendar year means two hundred fifty thousand dollars (\$250,000) for the second calendar year after the first

1 appearance of the California Senior ~~Legislature~~ *Citizen Advocacy*  
2 Fund on the personal income tax return or the minimum  
3 contribution amount as adjusted pursuant to subdivision (c).

4 (c) For each calendar year, beginning with the third calendar  
5 year after the first appearance of the California Senior Citizen  
6 Advocacy Fund on the personal income tax return, the Franchise  
7 Tax Board shall adjust, on or before September 1 of that calendar  
8 year, the minimum contribution amount specified in subdivision  
9 (b) as follows:

10 (1) The minimum estimated contribution amount for the calendar  
11 year shall be an amount equal to the product of the minimum  
12 estimated contribution amount for the calendar year multiplied by  
13 the inflation factor adjustment as specified in subparagraph (A) of  
14 paragraph (2) of subdivision (h) of Section 17041, rounded off to  
15 the nearest dollar.

16 (2) The inflation factor adjustment used for the calendar year  
17 shall be based on the figures for the percentage change in the  
18 California Consumer Price Index for all items received on or before  
19 August 1 of the calendar year pursuant to paragraph (1) of  
20 subdivision (h) of Section 17041.

21 (d) Notwithstanding the repeal of this article, any contribution  
22 amounts designated pursuant to this article prior to its repeal shall  
23 continue to be transferred and disbursed in accordance with this  
24 article as in effect immediately prior to that repeal.